

Department of Telecommunications and Energy
Western Massachusetts Electric Company, D.T.E. 00-33
Attorney General Responses to the D.T.E.'s First Set of Information Requests
Person Responsible: David Effron
February 20, 2001

Information Request DTE-AG-1-1

Reference Mr. Effron's prefiled testimony at 16-17, lines 23 through 7. Please explain in detail the reason for allocating the Regional Staff and Laboratory employees to the sold group. Please cite to any evidence which supports this position.

Response

The Regional Staff and Laboratory employees are associated with all the generation facilities in general and not any individual generating station. The total WMECO generation employees, including Regional Staff and Laboratory employees, are used as a basis for making allocations of certain WMECO general costs to WMECO generation, such as the FAS 106 transition obligation. See, for example, the responses to AG-1-25, Page 2 and AG-2-30. To achieve a full, and consistent, allocation of the FAS 106 and FAS 87 adjustments to the generation facilities being divested, a basis of attributing Regional Staff and Laboratory employees to the individual facilities must be developed. Otherwise no FAS 106 or FAS 87 adjustment will be attributed to these generation employees, although WMECO has attributed related costs, such as the FAS 106 transition obligation, to these employees.

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Information Request DTE-AG-1-2

Reference Mr. Effron's prefiled testimony at 23, lines 18-20. Please explain in detail, with citations to exhibits and discovery in this case, the assertion that the unrecovered net book value of the fossil/hydro units is still included in the regulated cost of service.

Response

The unrecovered net book value of the fossil/hydro units is included in the costs recovered by the transition charge. See Exhibit RAB-4, Pages 5, 11, 11B, 2, and 1. See response to AG-1-4 for details of amortization of fossil/hydro units included in transition charge. The transition charge is a tariffed, non-bypassable, cost based, reconciling charge that the Company recovers from customers based on its status as a distribution company. This amount of such charge is subject to regulation by the D.T.E. As the unrecovered net book value of the fossil/hydro units is included in the costs recovered by the transition charge, it is a part of the regulated cost of service.

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Information Request DTE-AG-1-3

Reference Mr. Effron's prefiled testimony, Exhibit DJE-1, at 2, n. 6. Please explain the basis for the 104-month amortization period.

Response

The 104 months is the original ten-year (120 month) amortization period beginning March 1, 1998, less the 16 months from March 1, 1998 to June 30, 1999.

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Information Request DTE-AG-1-4

Reference Mr. Effron's prefiled testimony, Exhibit DJE-1, at 3. Please verify that IR AG-3-6 is the source of the information for the FAS 106 Unrecognized Gain.

Response

The reference to AG-3-6 in Note 1 on Exhibit DJE-1, at 3 is incorrect. The reference should be to AG-2-6.